GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:999
ANSWERED ON:04.12.2015
Exchange for MSMEs
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government is in the process of starting an exchange to help the Micro, Small and Medium Enterprises (MSMEs) to raise equity capital for their financial needs; and

(b) if so, the details thereof?

Answer

(a) and (b): Securities and Exchange Board of India (SEBI) has put in place the following framework to enable Small and Medium Enterprises (SMEs) raise equity capital for their financial needs:

i) Amended SEBI (Issue of Capital and Disclosure Requirements) Regulations on April 13, 2010 to put in place a framework for setting up of new exchange or separate platform of existing stock exchange, having nationwide terminals, for listing of Small and Medium Enterprises (SMEs). SME platform has been operationalized by National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Ltd. (BSE).

ii) SEBI (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013 prescribed a framework for enabling start-ups and SMEs to list in SME platform without making an IPO. This platform is in addition to the SME platform to facilitate capital raising by SMEs including start-up companies which are in their early stages of growth. This platform was extended to all companies/start-ups by amending SEBI (Issue of Capital and Disclosure Requirements) Regulations on August 14, 2015. The amended framework is to cater listing of companies intensive in their use of technology, information technology, intellectual property, data analytics, bio technology or nano technology to provide products, services or business platforms with substantial value addition and certain other companies on Institutional Trading Platform (ITP).

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